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8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
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11 LENA JAMIL,

12 Plaintiff,

13 v.

14 MERCEDES-BENZ USA, LLC,

15 Defendant.
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Case No. 2:22-cv-08130-FLA (AFMx)

**ORDER TO SHOW CAUSE WHY
ACTION SHOULD NOT BE
DISMISSED FOR LACK OF
SUBJECT MATTER JURISDICTION**

19 Federal courts are courts of “limited jurisdiction,” possessing only “power
20 authorized by the Constitution and statute[.]” *Kokkonen v. Guardian Life Ins. Co. of*
21 *Am.*, 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. Courts are presumed to
22 lack jurisdiction unless the contrary appears affirmatively from the record. *See*
23 *DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 342 n. 3 (2006). Additionally, federal
24 courts have an obligation to examine jurisdiction *sua sponte* before proceeding to the
25 merits of a case. *See Ruhrgas AG v. Marathon Oil Co.*, 526 U.S. 574, 583 (1999).

26 The Class Action Fairness Act (“CAFA”) vests original jurisdiction in district
27 courts over a purported class action if all the following requirements are met: (1) the
28 amount in controversy exceeds \$5,000,000; (2) at least one putative class member is a

1 citizen of a state different from any defendant; and (3) the putative class exceeds 100
2 members. 28 U.S.C. § 1332(d)(2), (5).

3 A complaint filed in federal court must contain “a plausible allegation that the
4 amount in controversy exceeds the jurisdictional threshold.” *Dart Cherokee Basin*
5 *Operating Co., LLC v. Owens*, 574 U.S. 81, 89 (2014). Where a party contests or the
6 court questions another party’s allegations concerning the amount in controversy, both
7 sides shall submit proof and the court must decide whether the party asserting
8 jurisdiction has proven the amount in controversy by a preponderance of the
9 evidence. *Id.* at 88–89; *see* Fed. R. Civ. P. 12(h)(3) (“If the court determines at any
10 time that it lacks subject-matter jurisdiction, the court must dismiss the action.”).

11 This procedure applies equally to the amount in controversy requirement in
12 CAFA actions. “When plaintiffs . . . have prepared a complaint that does not assert
13 the amount in controversy, or that affirmatively states that the amount in controversy
14 does not exceed \$5 million, if a defendant wants to pursue a federal forum under
15 CAFA, that defendant in a jurisdictional dispute has the burden to put forward
16 evidence showing that the amount in controversy exceeds \$5 million . . . and to
17 persuade the court that the estimate of damages in controversy is a reasonable one.”
18 *Ibarra v. Manheim Invs. Inc.*, 775 F.3d 1193, 1197 (9th Cir. 2015). “Under this
19 system, CAFA’s requirements are to be tested by consideration of real evidence and
20 the reality of what is at stake in the litigation, using reasonable assumptions
21 underlying the . . . theory of damages exposure.” *Id.* As a result, the party asserting
22 jurisdiction in CAFA actions bears the burden to put forward allegations and
23 sufficient evidence that the amount in controversy exceeds \$5 million.

24 The court has reviewed the Complaint in this action and is presently unable to
25 conclude it has subject matter jurisdiction under CAFA. In particular, and without
26 limitation, the court finds that the allegations in the Complaint do not demonstrate by
27 a preponderance of the evidence that the amount in controversy exceeds \$5 million.


28 Accordingly, the parties are ORDERED TO SHOW CAUSE, in writing only,

1 within fourteen (14) days from the date of this Order, why this action should not be
2 dismissed for lack of subject matter jurisdiction. The parties are encouraged to submit
3 evidence and/or judicially noticeable facts in response to the court's Order.
4 Responses shall be limited to ten (10) pages in length. The parties should consider
5 this Order to be a two-pronged inquiry into the facial and factual sufficiency of
6 Plaintiff's demonstration of jurisdiction. *See Leite v. Crane Co.*, 749 F.3d 1117, 1122
7 (9th Cir. 2014).

8 As Plaintiff is the party asserting federal jurisdiction, Plaintiff's failure to
9 respond timely and fully to this Order shall result in dismissal of the action without
10 further notice.

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12 IT IS SO ORDERED.

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14 Dated: August 30, 2023

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17 FERNANDO L. AENLLE-ROCHA
18 United States District Judge
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